



Senate

General Assembly

February Session, 2012

File No. 31

Senate Bill No. 179

Senate, March 19, 2012

The Committee on Labor and Public Employees reported through SEN. PRAGUE of the 19th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING CONTRACTORS, SUBCONTRACTORS AND CIVIL ACTIONS TO RECOVER UNPAID EMPLOYEE WAGES AND BENEFITS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (g) of section 31-53 of the general statutes is
2 repealed and the following is substituted in lieu thereof (*Effective from*
3 *passage*):

4 (g) Any contractor who is required by the Labor Department to
5 make any payment as a result of a subcontractor's failure to pay wages
6 or benefits, or any subcontractor who is required by the Labor
7 Department to make any payment as a result of a lower tier
8 subcontractor's failure to pay wages or benefits, may bring a civil
9 action in the Superior Court [to recover] against such subcontractor or
10 lower tier subcontractor, as the case may be, and any individual
11 submitting a false certified payroll on behalf of such subcontractor or
12 lower tier subcontractor. The subcontractor or lower tier subcontractor,
13 as the case may be, and the individual submitting the false certified

14 payroll shall be jointly and severally liable for no more than the
15 damages sustained by reason of making such payment, together with
16 costs and a reasonable attorney's fee.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	31-53(g)

LAB *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note***State Impact:*** None***Municipal Impact:*** None***Explanation***

The bill, which concerns a contractor's or subcontractor's ability to recover money lost due to payment of wages on behalf of another subcontractor, has no fiscal impact on the state.

The Out Years***State Impact:*** None***Municipal Impact:*** None

OLR Bill Analysis**SB 179*****AN ACT CONCERNING CONTRACTORS, SUBCONTRACTORS
AND CIVIL ACTIONS TO RECOVER UNPAID EMPLOYEE WAGES
AND BENEFITS.*****SUMMARY:**

When the Labor Department requires a contractor on a prevailing wage project to pay an employee's wages and benefits on behalf of a subcontractor who failed to do so, the law allows the contractor to sue to recover the payments, court costs, and reasonable attorney's fees. It gives the same recourse to a subcontractor required to pay an employee's wages and benefits on behalf of a lower-tier subcontractor that did not pay.

This bill specifies that the contractor or subcontractor required to make such payments can sue (1) the subcontractor or lower-tier subcontractor that failed to pay the employee's wages and benefits and (2) the individual who submitted a false certified payroll on behalf of the subcontractor or lower-tier subcontractor. It also makes the individual and the subcontractor or lower-tier subcontractor jointly and severally liable for any resulting award.

EFFECTIVE DATE: Upon passage

BACKGROUND***Prevailing Wage Law***

The state prevailing wage law requires contractors to pay the prevailing hourly wage to all mechanics, laborers, or other workers on certain state or municipal public works projects. Employers on these projects must submit monthly certified payrolls to the Labor Department verifying that they have met the law's requirements. The punishment for violating the law includes fines, suspension from

bidding on future public projects, and imprisonment (CGS §§ 31-53, 31-53a, & 31-54).

Joint and Several Liability

Joint and several liability is a form of liability used in civil cases where two or more people are found liable for damages. The winning plaintiff in such a case may collect the entire judgment from any one of the parties, or from any and all of the parties in various amounts until the judgment is paid in full. In other words, if any of the defendants do not have enough money or assets to pay an equal share of the award, the other defendants must make up the difference.

COMMITTEE ACTION

Labor and Public Employees Committee

Joint Favorable

Yea 10 Nay 0 (03/06/2012)